



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

October 2, 2006

Coleen Hackwell, Financial Analyst
State of Utah
Office of State Treasurer
E315 State Capitol Complex
Post Office Box 142315
Salt Lake City, Utah 84114-2315

Subject: Authorization for Release of Cash Deposit, Account number _____, \$7500.00,
Miracle Rock Mining & Research, LC, The Rockland Mine, M/015/040, Emery
County, Utah

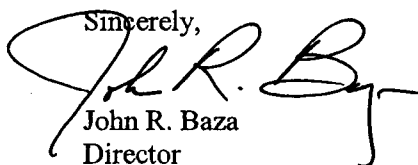
Dear Ms. Hackwell,

Zions Bank is presently holding funds in the amount of \$7500.00, account number 8911949, for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Miracle Rock Mining & Research LC, for their Rockland Mine.

The Division hereby requests the release of those funds in the amount of \$7500.00. Please remit the funds directly to the Operator, Miracle Rock Mining & Research LC.

If you have any questions or require further discussion regarding the content of this letter, please contact Beth Ericksen, Surety Bonding Coordinator, 801 538 5318.

Sincerely,



John R. Baza
Director

JRB:BE:be
enc: Deposit certification copy
cc: Miracle Rock Mining & Research, LC
Paul Baker, OGM
Beth Ericksen, OGM



EDWARD T. ALTER, CPA
STATE TREASURER

STATE OF UTAH

OFFICE OF STATE TREASURER

E315 STATE CAPITOL COMPLEX

P. O. Box 142315

SALT LAKE CITY, UTAH 84114-2315

TEL: (801) 538-1042

FAX: (801) 538-1465

TDD: (801) 538-1042

ROBERT C. KIRK
CHIEF DEPUTY STATE TREASURER

CHRISTINE M. BRANDT
STATE INVESTMENT OFFICER

August 15, 2006

Ms. Beth Ericksen
Division of Oil, Gas & Mining
1594 W North Temple, Suite 1210
PO Box 145801
Salt Lake City, UT 84114

RECEIVED
AUG 30 2006
Div. of Oil, Gas & Mining

Dear Ms. Ericksen:

I hereby certify that Miracle Rock Mining & Research has deposited with the Utah State Treasurer cash or securities valued at \$7,500.00 and described as follows:

Interest bearing escrow account () held at Zions First National Bank

The above described securities have been deposited and assigned to the Utah State Treasurer as a Reclamation Surety as required by Section 40-8-14 Utah Code Annotated, and will be held by the Utah State Treasurer until release is requested by the Division of Oil, Gas & Mining.

Sincerely,

Coleen Hackwell

Coleen Hackwell
Financial Analyst

☒ APPROVED 8/30/06

ATTACHMENT A
Rockland Mine
M10151040



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

October 3, 2006

Tom Faddies, Assistant Director Minerals
State of Utah
School and Institutional Trust Lands Administration (SITLA)
675 East 500 South
Salt Lake City, Utah 84102-2818

Subject: Authorization for Release of Certificates of Deposit, Account numbers _____ and _____, \$3000.00 and \$2000.00, First Security Bank (Wells Fargo) and Zions Bank, Miracle Rock Mining & Research, LC, The Rockland Mine, M/015/040, Emery County, Utah

Dear Mr. Faddies,

Zions Bank and First Security Bank (Wells Fargo) are presently holding certificates of deposit in the amount of \$3000.00 and \$2000.00, account numbers _____ and _____, for the benefit of the School and Institutional Trust Lands Administration (SITLA) as reclamation surety for Miracle Rock Mining & Research LC, Rockland Mine.

The operator has obtained and received Division approval of a Certificate of Deposit in the amount of \$30,000.00 with Far West Bank. The Division's intent in obtaining this replacement CD was to replace the following:

- Zions Bank CD, \$3000.00
- Wells Fargo CD, \$2000.00
- Utah State Treasurer, \$7500.00

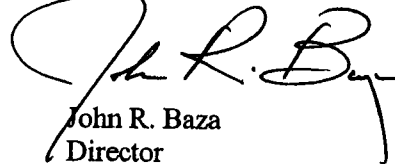
The reclamation surety amount has been estimated based on a disturbance of six acres and an estimated reclamation cost of \$5000.00/acre. This cost estimate is not based on the mine plan because the mine plan has yet to be approved.

If SITLA is in agreement with this \$30,000.00 reclamation surety, and if the Zions and Wells Fargo CDs are not being held for another purpose, then the Division hereby approves of the release of the CDs to the Operator.

Page 2
Tom Faddies
M0150040
October 3, 2006

If you have any questions or require further discussion regarding the content of this letter, please contact Beth Ericksen, Surety Bonding Coordinator (801) 538-5318.

Sincerely,



John R. Baza
Director

JRB:BE:pb

enc: Certificate of Deposit agreement letter, Far West Bank
SITLA February 2, 2006 letter

cc: Miracle Rock Mining & Research, LC
Paul Baker, OGM
Beth Ericksen, OGM

P:\GROUPS\MINERALS\WP\M015-Emery\M0150040-MiracleRock\Final\releaseM015040SITLA_.doc

Cash RECEIPT

TAX ID # 90-168920

Date Aug. 2 '06

MINERALS BOND

\$7500

Amount	
Permit Number	M10151040
Operator	Miracle Rock Mining & Research
Received by	Beth
Signature	I confirm the dollar amount of this check is correct <u>BS</u>



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Jon M. Huntsman, Jr.
Governor

Kevin S. Carter
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

FILE: M/015/040

CC: Bond file
Beth
Daron

February 2, 2006

CERTIFIED MAIL 7160 3901 9842 9870 7746

Miracle Rock Mining & Research
P.O. Box 28
Ferron, Utah 84523

Dear Lessee:

Listed below is a surety that is presently held by the School and Institutional Trust Lands Administration ("SITLA") for reclamation of mining related disturbance that is associated with mineral development on trust lands.

Type of Surety: Time Deposit

Amount: \$3000

Account No.: -1

Issued By: First Security, Castle Dale

Date Issued: 8/11/1994

Mineral Lease No.: ML 42844 & ML 42844-A

DOGM No.: M/015/040

The Division of Oil, Gas and Mining ("DOGM") is the state agency responsible for implementing and enforcing the State of Utah's regulation of mineral mining and reclamation activities (Utah Code Sections 40-8-1 et seq.) and the State of Utah's Surface Coal Mining and Reclamation Program (Utah Code Sections 40-10-1 et seq.). SITLA and DOGM have entered into a Memorandum of Agreement Concerning Cooperative Administration of Mining Operations on School and Institutional Trust Lands, dated January 14, 2005 ("MOU"). The MOU transfers the responsibility for administering the reclamation of disturbances on SITLA's mineral leases to DOGM. Therefore, surety for reclamation shall be provided by the operator of the leased mineral lands to DOGM prior to commencing mining operations, and DOGM will be identified as the owner or holder of the surety. The surety for reclamation shall be held and administered by DOGM, and shall be of a type and in a form as determined to be acceptable by the rules established by the Board of Oil, Gas and Mining. The surety shall be payable to DOGM for use as necessary to satisfy the reclamation obligations of the mineral lessee or operator.

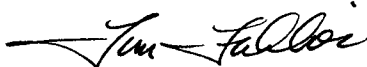
February 2, 2006
Page 2

In accordance with the MOU and in compliance with the statutory authority of DOGM, SITLA will transfer the above referenced surety to DOGM to be administered by DOGM under their rules. This letter serves as notification of the requirement under your lease to be bonded for reclamation to replace or transfer your surety with DOGM by April 1, 2006. Upon written request and written extension by SITLA additional time for completing this process may be provided. DOGM and SITLA will coordinate their efforts to ease this transition. Questions concerning this process may be directed to Will Stokes at SITLA phone number (801) 538-5153. At DOGM please contact Beth Ericksen at (801) 538-5318. Additional information may be found at the DOGM's website at <http://ogm.utah.gov/minerals>.

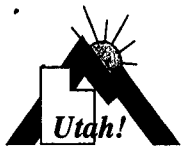
Please be aware that adjustment of the bond amount could also be necessary if it is determined that the current amount is insufficient to cover complete reclamation. You will also need to complete a reclamation contract (form MR-RC) with DOGM to conclude the process. Also, as provided for under the rules governing the management and use of school and institutional trust lands (R850-21-800), and as provide for under Article XII of the mineral lease agreement, the lessee or operator may be required to post a separate performance bond with SITLA to assure compliance with all other remaining terms and conditions of the lease not covered by the bond to be filed with DOGM.

We anticipate that bonding for reclamation will be streamlined and hope you view this change as a positive effort to simplify the process. Thank you for your cooperation.

Sincerely

A handwritten signature in black ink, appearing to read "Tom Faddies", written over a horizontal line.

Tom Faddies
Assistant Director/Minerals



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Jon M. Huntsman, Jr.
Governor

Kevin S. Carter
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

F: M/015/040

CC: Bond file
Beth ✓
Daron

Rec'd 2/2
SITLA (checked) ✓

February 2, 2006

CERTIFIED MAIL 7160 3901 9842 9870 7753

Miracle Rock Mining & Research
200 East 400 South
Emery, Utah 84522

Dear Lessee:

Listed below is a surety that is presently held by the School and Institutional Trust Lands Administration ("SITLA") for reclamation of mining related disturbance that is associated with mineral development on trust lands.

Type of Surety: Time Deposit

Amount: \$2000

Account No.:

Issued By: Zions Bank, -

Date Issued: 10/1/1986

Mineral Lease No.: ML 42844 & ML 42844-A

DOGM No.: M/015/040

The Division of Oil, Gas and Mining ("DOGM") is the state agency responsible for implementing and enforcing the State of Utah's regulation of mineral mining and reclamation activities (Utah Code Sections 40-8-1 et seq.) and the State of Utah's Surface Coal Mining and Reclamation Program (Utah Code Sections 40-10-1 et seq.). SITLA and DOGM have entered into a Memorandum of Agreement Concerning Cooperative Administration of Mining Operations on School and Institutional Trust Lands, dated January 14, 2005 ("MOU"). The MOU transfers the responsibility for administering the reclamation of disturbances on SITLA's mineral leases to DOGM. Therefore, surety for reclamation shall be provided by the operator of the leased mineral lands to DOGM prior to commencing mining operations, and DOGM will be identified as the owner or holder of the surety. The surety for reclamation shall be held and administered by DOGM, and shall be of a type and in a form as determined to be acceptable by the rules established by the Board of Oil, Gas and Mining. The surety shall be payable to DOGM for use as necessary to satisfy the reclamation obligations of the mineral lessee or operator.

February 2, 2006

Page 2

In accordance with the MOU and in compliance with the statutory authority of DOGM, SITLA will transfer the above referenced surety to DOGM to be administered by DOGM under their rules. This letter serves as notification of the requirement under your lease to be bonded for reclamation to replace or transfer your surety with DOGM by April 1, 2006. Upon written request and written extension by SITLA additional time for completing this process may be provided. DOGM and SITLA will coordinate their efforts to ease this transition. Questions concerning this process may be directed to Will Stokes at SITLA phone number (801) 538-5153. At DOGM please contact Beth Ericksen at (801) 538-5318. Additional information may be found at the DOGM's website at <http://ogm.utah.gov/minerals>.

Please be aware that adjustment of the bond amount could also be necessary if it is determined that the current amount is insufficient to cover complete reclamation. You will also need to complete a reclamation contract (form MR-RC) with DOGM to conclude the process. Also, as provided for under the rules governing the management and use of school and institutional trust lands (R850-21-800), and as provide for under Article XII of the mineral lease agreement, the lessee or operator may be required to post a separate performance bond with SITLA to assure compliance with all other remaining terms and conditions of the lease not covered by the bond to be filed with DOGM.

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Sincerely

A handwritten signature in cursive script, appearing to read "Tom Faddies".

Tom Faddies
Assistant Director/Minerals